GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:5662
ANSWERED ON:28.04.2015
FRAUD AND FINANCIAL IRREGULARITIES IN PSES
Kamal Nath Shri

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Central Vigilance Commissioner has recently issued directives that all instances of major criminal misconduct including financial irregularities and fraud detected in Public Sector Enterprises (PSEs) will now bs investigated by the CBI;

(b) if so, the details of major criminal and financial irregularities and frauds in various PSEs that came to the notice of the Government in the last one year;

(c) whether any responsibilities have been fixed thereon and if so, the details thereof along with the number of cases recommended by the CVC to CBI for investigation, and

(d) the other steps the Government proposes to take to check such frauds and irregularities in PSEs?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI G. M. SIDDESHWARA)

(a): The Special Chapter for Vigilance Management in Central Public Sector Enterprises (CPSEs) provides that allegations of criminal nature (bribery, corruption, forgery, criminal breach of trust, possession of disproportionate assets, cheating etc.), allegations requiring police investigation, involving examination of private records etc. are to be entrusted to CBI. Central Vigilance Commission (CVC) vide its circular issued in March, 2015 has reiterated the same instructions.

(b) & (c): Under the vigilance setup of CPSEs, Chief Vigilance Officers (CVO) are appointed to tackle corruption by improving vigilance administration, creating a culture of honesty, greater transparency in administration and conducting speedy departmental inquiries. Chief Vigilance Officer (CVO) of the concerned CPSE reports individual cases of criminal and financial irregularities and frauds to CVC / CBI/ administrative Ministry / Department of concerned CPSEs. Prosecution is launched by CBI in criminal cases and disciplinary action is taken for official misconduct by the management of respective CPSEs and concerned administrative Ministries / Departments in individual cases. Details of individual cases are not maintained centrally in the Department of Public Enterprises.

(d): Chief Vigilance Officers (CVOs) are appointed to play a preventive and also, punitive role to deal with the cases of corruption / malpractices in CPSEs. Depar- tment of Public Enterprises has issued guidelines for improving vigilance adminis- tration and strengthening vigilance machinery in CPSEs in pursuance of instructions of Central Vigilance Commission (CVC) / Department of Personal & Training (DoPT).